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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

MBA PROFESSIONAL REPORT

Miramar Brig: A Case Study of Prison Industry

By: Matthew T. Weaver
December 2006

Advisors: Jerry McCaffery
Larry Jones

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MIRAMAR BRIG: A CASE STUDY OF PRISON INDUSTRY

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B.A., Marquette University, 2001

Submitted in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

from the

**NAVAL POSTGRADUATE SCHOOL
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MIRAMAR BRIG: A CASE STUDY OF PRISON INDUSTRY

ABSTRACT

This MBA project is a study of the labor and industries program at Naval Consolidated Brig, Miramar, California. The Brig is set to expand in FY2010 and the brig Commander asked for research help exploring how the brig might make best use of this expansion in its labor and industries program. A tour of the base and conversation with brig administrators and supervisors indicates that the laundry area might be a worthwhile candidate for expansion. Expansion in that area could save the Navy three to four times what is being saved now by laundry operations at the Brig, plus manpower management of the laundry function is relatively easy since the training needs are low. This project recommends that the other labor and industry functions undertaken by the brig be carried on or at close to their current level of operation.

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I. INTRODUCTION

This MBA project will analyze labor and industry operations at the Brig at Miramar Naval Air Station, San Diego, CA. In April of 2006, the Commander of the brig at Miramar met with staff and students at the GSBPP at NPS. At that time the Commander was searching for ways to improve the operation of the Brig. She was not sure exactly what she wanted, whether it was a development of a new mission statement for Brigs, research on manning issues within her Brig, or focus on the proposed expansion of the Brig with an emphasis on the Labor & Industry (L & I) programs currently operating, or the development of a Business Plan. The Commander presented a broad spectrum from which the Brig needed assistance, and offered whatever help would be necessary to support the research. Following the meeting at the Graduate School of Business and Public Policy (GSBPP), this project was developed with the charter to look into the proposed expansion of the Brig in FY10 and look at ways to advantageously save money. One of the problems facing the Brig is that it will be increasing prisoner capacity in the near future and it is faced with an insufficient labor and industry program to prevent prisoner idleness. This project will specifically examine the concept of prison industry. The history of prisons in the United States and an assessment of how the state of California operates its labor and industry will be analyzed to look for possible improvements that can be applied to the Brig. An assessment of current labor and industry operations and a recommendation for expansion will be determined.

A. DISCUSSION

The Brig at Miramar faces a crucial time in its history. It is poised to become one of the biggest military detention facilities the Department of the Navy (DON) will operate. It will be the only Brig to house females with life sentences. With this expansion the Commanding Officer of the Brig foresees an increase of an already potentially explosive problem, prisoner idleness. With nothing to keep the prisoners

actively engaged, it has been shown that the propensity for violence and Brig violations increases.¹ This creates an unsafe environment for prisoners and for the guards who are charged to oversee and protect the prisoners.

In the wake of the events at Abu Ghraib², military detention facilities are under constant public scrutiny³. A prison riot or an escape would likely attract an excessive amount of attention on the Brig. The Brig's commander believed that the best way to prevent this from happening is to increase prisoner labor and decrease the time by which prisoners would have to plan and execute. The legal use of prison labor would increase good order and discipline⁴.

The goal of this project was to conduct a thorough analysis of prison labor and the prison industries in which it is used as a way to solve the problem of saving the government money and avoiding prisoner idleness. The final goal will be to provide the labor and industry program at Miramar with future plans for expansion in FY10 that will subsequently address saving the government money, providing employment and maintaining service to the community. This project will help identify some potential directions the brig leadership might wish to pursue.

B. SCOPE OF MBA PROJECT

This research will:

1. Identify the goal of labor and industry of the Brig at Miramar.
2. Evaluate the current labor and industry program as it exists today.
3. Identify the role of resources and how they affect operations.

¹ Department of Justice, National Institute of Corrections, *The*

Development of Jail Industries, 3, Government Printing Office, Washington, D.C., 1986.

² Seymour M. Hersh, , "Torture at Abu Ghraib."

[http://www.newyorker.com/fact/content/articles/040510fa_fact?040510fa_fact]. May 2005. (Last accessed December 2006)

³ Jim Garamone, "Rumsfeld Accepts Responsibility for Abu Ghraib."

[http://www.defenselink.mil/news/May2004/n05072004_200405072.html] May 2004. (Last accessed December 2006)

⁴ Department of Justice, National Institute of Corrections, *The Development of Jail Industries*, 3, Government Printing Office, Washington, D.C., 1986.

4. Describe the changes in prison labor and industry over its history.
5. Explain the problems labor and industry are currently facing.
6. Define and evaluate the best plan for the Brig to execute as it expands.

The intent of this study is to identify a particular area within the brig labor and industry function so that the leadership of the brig can expand the amount of time prisoners are working. The analyses of current operations will assist in identifying what the Brig is doing well and where it can improve.

This project-performs research, conducts analysis, and provides explanation of how labor and industry can be an area that saves the Department of Defense money, improves public image, and reduces prisoner idleness. The importance of this topic is to assist the Brig in its efforts to expand and meet detention and safety requirements of all prisoners.

Analysis of the history of labor and industry in prisons and the comparison between the California prison system's labor and industry function and that at Miramar's provides a challenge because of a few simple laws regarding the employment of prisoners. Specifically, state prisons can use their prisoners to make a profit for the prison and the prisoners receive a wage. The Brig is unable to use the prisoners in this manner.

C. RESEARCH QUESTIONS

Primary Research Question: What is the most viable industry the Brig can be involved in that will provide the greatest savings to the Department of Defense and reduce prisoner idle time?

Supporting Questions:

1. How does the current labor and industry program achieve this goal?
2. What are the limitations on the employment of prisoners that affect the industry that can be brought within the gates of the prison?
3. Are there any cash cows in the labor and industry function at the Brig?

4. Are there any community services programs currently operational at the Brig that improves the image of the military?
5. Where is the potential for the greatest financial savings within the brig?
6. Does the history of Prisons in the United States provide an insight to an industry that can be implemented?
7. What are the resource limitations on the Brig?
8. Can resource management contribute to the strategic goals?
9. What does resource management look like currently?
10. What is the impact of prisoner non-compliance in labor and industry?

D. METHODOLOGY

A review and analysis of current labor and industry programs at the Brig at Miramar and within the California Department of Corrections was conducted. A tour of the facilities and brief meetings with various brig personnel was conducted on 18 August, 2006, which was given by CDR John Pucciarelli, Acting Commanding Officer of the Miramar Brig. The tour consisted of a series of interviews with Tamara J. Seguire, Budget Analyst and Brewster Schenck, Administrative Director of the Miramar Brig. Additionally, a short conversation with Daniel Vestal who was supervising the wood and metal shop was conducted. I was unable to meet with additional civilian and military supervisors for various reasons. I later communicated with them, through emails with CDR Pucciarelli and CWO5 Douglas Rice. Email communication is limited because inside the confines of the prison there is no connectivity with the Web. The following steps were taken to define the issues:

- a. Interviewed Acting Commanding Officer of the Miramar Brig.
- b. Interviewed Miramar Brig Administrative Director
- c. Interviewed Miramar Brig Budget Analyst
- d. Interviewed Civilian Supervisor of Wood and Metal shops
- e. Researched literature from selected academic journals, GAO reports, Government sponsored research and selected NPS Graduate School of Business and Public Policy Financial Management Curriculum.
- f. Personal experience with Brig operations as Legal Officer for the USS RENTZ (FFG-46).

- g. Personal experience from visits to the Brig at Miramar.
- h. Personal interviews with current employees of the Brig at Miramar.
- i. Researched literature on labor and industry in prisons.
- j. Researched literature on the history of labor and industry in prisons.
- k. Researched scholarly documents online
- l. Maintained a steady strain of communication via email with Brig staff during the summer and fall of 2006.
- m. Maintained a steady strain of phone conversations with Brig staff during the summer and fall of 2006.

E. CHAPTER OUTLINE

Chapter II will explain research on the history of prison Labor & Industry, which is the broad name that encompasses all aspects of prisoner employment and their production. The prison system is known for its cyclical operations based on strong public perception as to the best way to handle prisoners. Chapter III will discuss the operations of the State of California and how it operates its Labor & Industry program. The purpose is to see how one of the nation's largest L & I industries operates and where it is successful and where it has shortcomings. From this the Brig will have a roadmap for pitfalls it could face if it continues to expand beyond FY10. Chapter IV will assess the facilities and operations at the Brig at Miramar. It will analyze the various programs within its Labor & Industry services to provide a logical recommendation towards services that can be expanded to save money, employ prisoners and maintain its dedication to service to the community. Chapter V will present concluding observations and recommendations based on the research done for this project.

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II. BACKGROUND

A. HISTORY

In January of 1986, Neal Miller and Robert C. Grieser, under the auspices of a federal grant, put together a comprehensive study and subsequent findings of prison industry. Prison industry encompasses all the programs within a prison that produce goods with prisoner labor. Their report *A STUDY OF PRISON INDUSTRY: History, Components, and Goals* provides solid documentation to summarize the history of prison industry.⁵

The history of prison industry may be divided into four historical perspectives:

- The Development Period
- Wide-Scale Adoption
- Industry's Decline
- Industry Stagnation
- The Contemporary Era⁶

The Development Period, roughly the 11th through the 13th centuries, was an era where prisoners worked not only to pay for their own incarceration, but also for the Sheriff's wages. In 1348 and 1357, the English Statutes of Labor made idleness a crime for those who were of sound mind and body. In 1557, the first workhouse was built in England; this put the focus on hard labor as an effort to reform prisoners. The possible first official prison likely constructed by Viscount Vilain XIV, which focused on labor as the element for the reformation of prisoners. The Viscount had specifically sought out industries that were not in direct competition with those conducting free labor.⁷

⁵ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 1.

⁶ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 1.

⁷ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 2.

In the United States, the process followed the precedent that England had set. “The first ‘gaol’ in Massachusetts opened in 1635, and by 1700 each county was required by legislation to have a jail.”⁸ In the early 1800’s prisons began to alter their methods. The introduction of the individual cell, with communal workspace, but no communication, became prominent in the “Pennsylvania System” and the “Auburn System” of New York.⁹ By 1828, the Auburn and Sing Sing inmates had established precedence by paying their way for confinement.¹⁰ It was here that the communal area for prison industry distinguished itself as advantageous for capital expenditures and operating expenses.

Many of the problems seen in prisons today mirror problems which existed during the past incarceration periods, that were unable to be corrected then. Problems including overcrowding and crimes committed by prisoners while working are two such examples. The problem of doing just one large industry or spreading the work out amongst many smaller industries also became an issue during this time. Lastly, the seemingly cyclical ideas surfaced of whether prison labor was the way towards rehabilitation and reduction in recidivism, or were other programs more successful?

B. WIDE SCALE ADOPTION

In 1899, the United States had evolved into two types of prison industry systems: private vs. public benefits where individuals could not gain from prison labor. The private involvement allowed the private sector to share in the profits made from prison industry. This brought about a logical complaint from the public that the prison labor industry could not be in competition with that of the public sector. The prison industry held the biggest advantage with a ready workforce and cheap labor things the public

⁸ Department of Justice, “A Study of Prison Industry: History, Components, and Goals,” 2.

⁹ Department of Justice, “A Study of Prison Industry: History, Components, and Goals,” 3.

¹⁰ Department of Justice, “A Study of Prison Industry: History, Components, and Goals,” 3.

could not always consistently provide. This forced the prison and government into a change that now limited prison industries to receiving financial benefits of the state and its entities.

C. THE DECLINE OF PRISON INDUSTRIES

At the end of the nineteenth century, the state-use laws compromise that pacified those who criticized the conflict between public and private sector was upset by President Theodore Roosevelt when he signed Executive Order 325-A prohibiting the federal government from purchasing prison-made goods.¹¹ This dealt a severe financial blow to the prison industry because it took away the majority of its market.

After prison industry became less prominent, true to form with the cyclical nature of dealing with criminals, a movement began with an emphasis on reformation. This culminated in legislation enacted that further restricted the sale and transfer of prison made goods. In 1929 Congress passed the Hawes-Cooper Act (18 U.S.C. 1762), which allowed states to stop the importation of prison made goods.¹²

The Great Depression tightened the laws on prisoner made goods even more. With the country facing its highest unemployment rate, the idea of the incarcerated working while free individuals were starving forced further legislation. In 1935, Congress passed another law, the Ashurst-Sumner Act, which tacked on federal law to the right for states to ban products from prison industry.¹³ In 1940 the Sumner-Ashurst Act (18 U.S.C. 1761)¹⁴ made it a crime to ship prison made goods to another state, even if the state receiving the goods had not passed a law forbidding the import.

¹¹ Executive Order 325-A.

¹² 18 U.S.C. 1762.

¹³ Ashurst-Sumner Act, 1935.

¹⁴ 18 U.S.C. 1761.

These events made the fissure between the prison industry and private sector even larger. At the beginning of the century, about 85 percent of all inmates worked in prison industries; by 1940, the figure had fallen to 44 percent – nearly a 50 percent decline.¹⁵

D. STAGNATION OF PRISON INDUSTRIES

This period began its evolution following the Great Depression in the United States, when the priority was to get people back to work. The prisoners, through medical tests, were deemed as having a medical condition that needed to be treated by hours of daily therapy. This thought process moved prisoners away from the industrial arena. The counseling and therapy time involved with rehabilitating a prisoner did not allow enough viable time for production of industrial goods.

With the onus on healing the prisoner of their sickness, a prisoner, logically, occupied a classroom for a finite period. This left prisoners with idle time that quickly turned to rioting.¹⁶ In the early 1950's, the prison riots essentially forced prisons and business entities to come together to solve the problem of prisoner idle time. Daniel Glaser, an academic, produced a study in 1963¹⁷ that stressed the importance of work ethic and its role in allowing a prisoner successful re-entry into society.

The door closed on this era when the U.S. Department of Labor introduced programs under the Manpower and Training Act.¹⁸ This brought real-world training back to the prisons and allowed for the recurrence of the importance of prison labor. The most notable aspect of prison industry invigorating itself was that prison labor integrated itself into part of the national labor force.

¹⁵ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 6.

¹⁶ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 7.

¹⁷ Daniel Glaser, "The Effectiveness of a Prison and Parole System" 1963.

¹⁸ Department of Labor, "Manpower and Training Act".

E. THE CONTEMPORARY ERA

The likely beginning of the contemporary era was when the President's Commission Task Force Report was produced in 1967.¹⁹ The task force put to rest medical dominance within the prison and brought online the prisoner labor philosophy. The task force also identified areas that caused prison industry to fail in the past in an effort to ensure future success, these causes were identified as:

- Limited markets
- Inferior goods
- Unreliable delivery
- Unrealistic prices
- Lack of a trained labor force
- Featherbedding
- Lack of adequate pay²⁰

The new goal for prisons was to prepare a prisoner in such a manner that the prisoner's skill set mirrored the private sector's business practices. This created skills that allowed for successful reintegration into the work force. In order to accomplish this, it required that the prison be in harmony with private business knowledge, skills and provide the experience necessary for a prisoner to succeed.

The task force identified an overarching idea from which everything else was developed, and that was that prisoner idleness is not in the best interest of the prison, prison industry or the prisoner. With this in mind, the task force put out three key points needed for prison industry to be competitive. The three points listed are as follows:

¹⁹ President's Commission Task Force Report on Corrections, 1967.

²⁰ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 8.

- 1) Sufficient scale of operation to compete
- 2) A sales force
- 3) An inmate incentive system.²¹

The three points were identified as deal breakers. The absence of one these items meant a prison industry would fail to be able to compete with private business. The most important item is that the prisons would have to obtain information from private businesses and encourage participation from the same people to ensure success

.

F. EXTERNAL FACTORS

The external factors that affect prison industry are what experts have been working to resolve for the last twenty years. Examples of the these issues are personnel management issues, marketing laws, governmental and privately developed standards, court rulings affecting industries, and the reemergence of private sector involvement in industries operations.²² The other relevant portion revolves around internal management dynamics, including financial and personnel management, pay for prisoners, physical control of the prisoner workspace, items produced and how they are produced. These are all constraints on prison industry.

One of the most difficult areas to change has been personnel management. Hiring personnel who are professionally successful, knowledgeable and willing to work in a prison environment is a difficult task. The pay does not outpace the civilian sector and the working conditions add an element of danger. A study of Correctional Industries Association directories from 1980-1983²³ showed that over half were new hires, which can be interpreted as an extremely high turnover ratio. With high turnover, prisons lose the valuable expertise that the person leaving had garnered during employment within the prison.

²¹ Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 8.

²² Department of Justice, "A Study of Prison Industry: History, Components, and Goals," 9.

²³ Correctional Industries Association, "Directory: State, Federal and Canada Industries," 1980, 1983.

The key to success of a prison industry is the due diligence given to the financial management of the operations. The rising cost of housing prisoners has led to pressure on prison industries to make a profit in an effort to reduce the financial burden on the taxpayers. The overcrowding of prisons, especially in California, is a direct result of the “get tough”, drug offense imprisonment, “truth in sentencing” and “three strikes and you are out” policies that have been a part of the judicial process over the last 10-20 years. These policies have translated into longer prison sentences and overcrowding.²⁴ In order to facilitate a greater profit, the financial management rules received an overhaul to allow financial managers to pursue financial plans that bring in greater profits. For example, the implementation of revolving funds allowed financial managers to pursue long term planning as opposed to yearly plans that needed alignment with legislative dates.

With prisons using a business model to operate their industry, wages or compensations packages are an important factor. A prison can have hundreds of workers but not produce one product available for sale. The issue of giving the prisoner incentive to work and produce a quality product is at the center of this issue. The problems that arise are taxation of the wages and unemployment benefits. Some states give the prisoner less than a dollar an hour and give some portion of the wage either to the victim of the crime for which the prisoner received punishment, or to a state regulated program directly related to helping victims. Other states use incentives such as extra good-time towards an earlier release date, preferred cells, eating earlier and other special privileges. In recent years, whether it is money or incentives, the prisoners are seeing more of it. The importance of putting out a quality product on time is important or the jobs will cease to exist as a result of market competition.

One of the biggest issues a prison faces is quality control of the products produced. Prisons in the past faced a legacy of producing sub par products, which in turn gave prospective state-use buyers justification to seek out other suppliers. Those in charge at the production level enforce quality control in the business model used by prisons today. It would be nearly impossible to market prison made goods with the

²⁴ http://www.prisoncommission.org/statements/haney_craig.pdf Testimony of Professor Craig Haney. (Last accessed December 2006)

stigmatism of poor quality that has plagued them in the past. These factors indicate that running a prison industry on a profitable basis is not simple.

In this chapter we researched the historical context of prison industry. In the next chapter we will examine one of the largest prison labor and industry programs in the nation, run by the California Prison Industry Authority.

III. CALIFORNIA PRISON INDUSTRY AUTHORITY

The California Prison Industry Authority (PIA) was established in 1983 as a State agency that operates under the supervision of the Prison Industry Board.²⁵ The Prison Industry Board is an 11-member panel made up of representatives of industry, labor, state agencies, and the general public.²⁶ The director of the California Department of Corrections serves as the chair of this board. PIA was established to employ inmates, reduce the operating costs of the California Department of Corrections, to offer inmates the chance to develop positive work ethics and skills, and to be profitable by creating enough revenue from the sale of products and services to pay for its own expenses. By creating work assignments, PIA is also helping the Department of Corrections reduce the idleness among the inmates which is a major cause of prison disturbances. The abundance of prison gangs and the seeming lack of respect for others and prison staff fester when a prisoner is idle and havoc at different levels will most often ensue. In an effort to stifle prison idleness the PIA operates 25 manufacturing, service, and agricultural projects within 60 factories and farms located at 22 of the State's correctional institutions.²⁷

Of the approximate 155,600 inmates in the Department of Corrections, PIA employs approximately 5,600 males and females.²⁸ These inmates produce more than 1,800 products.²⁹ These products include flags, roasted coffee, shoes, signs, binders, eye wear, gloves, office furniture, license plates, clothing, cell equipment, and more. ³⁰ PIA products are able to be purchased by both public and state entities. State law obligates state agencies to use products made by PIA and to help PIA create other needed products.

²⁵ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 2.

²⁶ OP CIT, 2.

²⁷ California State Auditor, "Prison Industry Authority: Although It Has Broad Discretion in Pursuing Its Statutory Purposes, It Could Improve Certain Pricing Practices and Develop Performance Measures," 5.

²⁸ OP CIT, 5.

²⁹ OP CIT, 5.

³⁰ OP CIT, 5.

Therefore, sales to state agencies make up approximately 97 percent of PIA's revenue. The Department of Corrections is the largest customer, generating 47 percent of the revenue by purchasing products for prison use.³¹ With 97 percent of revenue coming from various state agencies there is an obvious deficiency in sales to the public. The PIA is allowed to sell their goods to foreign countries and businesses that would use those goods in other countries. Between foreign sales and public sales, it should account for more than 3 percent of revenue. The state auditor has also chastised PIA to overcome its many hurdles in order to become more appealing to the public customers. They have to improve the quality of their products, have more competitive prices, and become more customer-friendly by being easily accessible and timely. They have to also overcome the stigmatism with doing business with prisons and prisoners.

In fiscal year 2003–2004, PIA reported approximately \$144 million in revenue.³² The areas in which they marked the highest revenue were optical services where the Department of Health Services takes advantage of the advantageous pricing, fabric products, license plates for the Department of Motor Vehicles, laundry, and dairy.³³ However, PIA only profited in three of these five enterprises and they experienced a significant loss in the dairy and laundry enterprises. The highest net profit PIA experienced was in the optical services, license plates, fabric products and printing services enterprises. Even though the net profits of these enterprises has offset most of the losses of the remaining 20 enterprises, the PIA still experienced over \$5.5 million in net loss. They experienced the greatest net loss in the furniture, general fabrication, metal products, dairy, and laundry enterprises. To facilitate a net profit in the future, PIA must evaluate these enterprises and improve or eliminate them.³⁴

³¹ California State Auditor, "Prison Industry Authority: Although It Has Broad Discretion in Pursuing Its Statutory Purposes, It Could Improve Certain Pricing Practices and Develop Performance Measures," 7.

³² California State Auditor, "Prison Industry Authority: Although It Has Broad Discretion in Pursuing Its Statutory Purposes, It Could Improve Certain Pricing Practices and Develop Performance Measures," 7.

³³ California State Auditor, "Prison Industry Authority: Although It Has Broad Discretion in Pursuing Its Statutory Purposes, It Could Improve Certain Pricing Practices and Develop Performance Measures," 59.

³⁴ California State Auditor, "Prison Industry Authority: Although It Has Broad Discretion in Pursuing Its Statutory Purposes, It Could Improve Certain Pricing Practices and Develop Performance Measures," 16.

For PIA to be profitable it needs to develop into a more effective organization by operating like a self-sufficient business where prices are competitive, costs are controlled, and only the enterprises that balance profitability and employment are maintained. In an effort to accomplish this, PIA is reviewing all the enterprises, analyzing their pricing and marketing plan, and restructuring product lines. They are also working to increase the revenue from California's university and college systems. The main purpose of these activities is to look at current operations and improve quality, costs, and delivery time to their customers, thereby, making them more profitable.³⁵

The PIA is being inhibited by its negative perception regarding timeliness of delivery, the quality of products, price competitiveness, and its ability to adjust quickly to change in the market. Its ability to branch out into new markets can be restricted by political and legal restrictions that generally do not affect the private sector. Also, PIA's ability to meet current market demands can be disturbed by security needs.³⁶

PIA faces major competition in its modular furniture and office supplies enterprises. The competition in this area is believed to provide better quality products, at a lower cost, and on time. To alleviate this competition, PIA is continuing to build relationships with State and local customers. It also is seeking to partner with some of its competitors in order to support its more profitable and productive enterprises and to streamline their product lines.³⁷

PIA is also working to expand their current markets and develop new ones. It is researching customer needs, service expectations, market growth and other information to identify areas in need of improvement. It is developing marketing, sales and promotional plans that will help address the customers' specific needs. To help meet customer needs and increase communication, PIA has developed the Sacramento one-stop showroom

³⁵ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 3-5.

³⁶ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 11.

³⁷ OP CIT, 11.

where it displays products, interacts with customers and is a point of purchase. PIA is also strongly relying on generating referrals and endorsements from other customers.³⁸

The 2005 Strategic Business Plan published by the California Prison Industry Authority has developed an organizational structure to tackle these issues. They have identified six areas as integral components for success.

- The first is the Inmate Employability Program which provides training to prisoners to not only work within the prison but also post confinement.
- The second is the Operations Division which is responsible for the Inmate Employability Program and over 60 service, manufacturing, and agricultural industries.
- The third is the Marketing Division which is not only the point of contact for price, product and ordering information, but for product development, pricing, business analysis, promotions, sales, and customer service. This division is important as it controls the four P's of marketing, product, place, price, and promotions. Deficiencies in any of the products produced by the PIA can be directly linked to one of these four P's.
- The fourth is the Financial Operations Division which manages all of the budgeting, accounting, and procurement activities. They are responsible for the important yearly audits.
- The fifth is the Human Resources Division which supervises many areas. These areas include recruitment, examinations and selections, transactions, training, labor relations, Equal Employment Opportunity, Worker's Compensation/Return-to-Work, classification and pay, health and safety, and lastly investigations. One of their biggest challenges is finding the right person who has the ability and fortitude to work with and train prisoners, maintain a high level of supervisory skills, and be both morally and ethically strong. The pool from which to draw applicants from is relatively small considering the requirements of working in a prison.

³⁸ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 12.

- The sixth is the Information Systems Division which controls the Manufacturing and Accounting Planning System (MAPS), and other computer related areas.

PIA's five year goal is to grow their annual business to \$200 million and increase their work force by 25 percent. To achieve this PIA has established four business goals which provide the foundation for decisions about the nature, range, and precedence of the projects PIA plans to assume. The goals are to achieve self-sufficiency, build inmate success, exceed customer expectations, and promote and support PIA.³⁹

To achieve self-sufficiency PIA must complete several different objectives. First, they must create a financial performance measurement system. They are doing this by identifying and implementing the needed management tools to improve their accuracy and timeliness. Second, they must establish a plan to generate \$200 million in sales by becoming more customer friendly, growing in their existing markets while branching into new markets, and becoming more competitive. Third, they must improve organizational structure which they plan to accomplish by consolidating responsibilities and eliminating non-profitable enterprises. They also must capitalize on technology and telecommunication by improving on their information delivery system to ensure that all their customers' needs are met. Finally, they must reduce costs of goods, and overall administration expenses. They plan to achieve this by improving their productivity and eliminating inefficiencies in production and administration.⁴⁰

To build inmate success the PIA has to encourage better communication and relationships among all levels of the institution. They must prove the value of the PIA programs, which they are doing by measuring the inmate's success pre- and post-release. They also must increase inmate employability by providing the inmate with up-to-date and relevant training.⁴¹

³⁹ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 13.

⁴⁰ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 14-15.

⁴¹ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 16-17.

One of PIA's most important and daunting goals is to exceed their customers' expectations. To do this PIA must research and develop current and potential customers by performing market analysis and surveys to help anticipate the customer's needs. They must also provide competitive services and products. They must be able to surpass their competitors' assortment, prices, quality of products and delivery time. PIA is encouraging communication between the management and purchasing levels to create and keep important alliances. They are becoming more customer friendly by creating a "one-stop shopping" environment and easier to use on-line services. Finally, they are instituting a customer service help desk and tracking and investigating customer complaints and resolutions.⁴² PIA's final goal of increasing promotion and support is already being pursued by applying for public and private funding. They are also working to increase public and private awareness by increasing media exposure, reporting on the successes of PIA-trained individuals, and participating in peer organizations. Finally, they are continuing their on-going plan of creating quality assurance and regulatory compliance programs.⁴³

In this chapter we have described the California PIA. In the next chapter we examine the programs of the Brig at Miramar and assess how California's programs might fit into those of the Department of the Navy.

⁴² State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 18-19.

⁴³ State of California Department of Corrections, "Strategic Business Plan 2005," February 2005, 20-21.

IV. NAVAL CONSOLIDATED BRIG MIRAMAR

The Naval Consolidated Brig (NAVCONBRIG), Miramar, California, represents one of two Navy consolidated brigs and is also the Department of Defense (DOD) Pacific area regional confinement facility. The Brig sees its mission as threefold:

- To ensure the security, good order, discipline, and safety of prisoners and detained personnel.
- To return as many personnel to honorable service as possible.
- To teach skills necessary to become productive citizens.⁴⁴

The only nationally recognized accreditation agency for adult and juvenile correctional facilities, the American Correctional Association (ACA), has accredited the Brig since 1993. This accreditation recognizes the accomplishments of the Brig in its treatment of prisoners, both administratively and humanely.

One of the Brig's main focuses is the treatment of a prisoner as an individual. The Brig accomplishes this through Correctional Psychology. This resonated during a tour through the facilities given by the acting Commanding Officer (CO) on 18 August, 2006. The dignity of individual inmates was evident by the professional interaction between the CO and the prisoners. The CO was approached several times in an appropriate manner to discuss certain problems that the prisoner was experiencing, and with each concern, the CO put into place a plan to get a response. This type of interaction strongly supports the Correctional Psychology idea of treating a prisoner as an individual.

In 1985, the Navy simplified its disciplinary system.⁴⁵ The reorganization provided for three classes of prisoners based on their crimes, sentences, and potential for return to duty or society. Currently the Brig serves as a middle tier (Level II) or Regional Confinement Facility (RCF) of the three tier correctional system for males and the highest tier (Level III) for females. The breakout of the three tiers is as follows:

⁴⁴ www.brigmiramar.navy.mil Miramar Brig Website. (Last Accessed December 2006)

⁴⁵ www.brigmiramar.navy.mil/bkground.htm Miramar Brig Website. (Last Accessed December 2006)

- Level I – Waterfront brig that can be found in all theaters house detainees and offenders with sentences of 30 days or less,
- Level II – Primarily houses prisoners serving terms of 31 days up to seven years,
- Level III – Is the housing facility for serious offenders with sentences of 7 years to life, and they are sent to the U.S. Army Disciplinary Barracks, Fort Leavenworth, KS.

There are two main Brigs in the United States, NAVCONBRIG Miramar is responsible for the Pacific Command, while NAVCONBRIG Charleston, SC, is responsible for Atlantic and European based units. In 1993, the Department of the Navy and the Department of the Air Force reached an agreement, whereby, the Navy's consolidated facilities would house Level II United States Air Force (USAF) personnel and the Air Force would provide detachments of security police and clinical personnel. The Brig, since it is located on a United States Marine Corps (USMC) base and it is a RCF, also handles Marines, and therefore has Marine personnel on staff. Additionally, with the Level III designation for women within the DOD it houses the Army female prisoners that meet that designation, and therefore also has Army personnel attached to the Navy Brig.

The Brig also recently made the Base Realignment and Closure (BRAC) list,⁴⁶ and as a result it is slated to increase in physical size, prisoner capacity and staff members. Its operating budget will increase from approximately \$4.1 million dollars to \$7.7 million dollars and expansion should begin in FY10 according to the Brig's Administrative Director who is overseeing the BRAC expansion. The size of the Brig will see an increase of 94,250 square feet as it goes from its current 210,000 square feet to 304,250 square feet. The prisoner capacity will go from the approximately 400 prisoners it can hold now to 600 prisoners after expansion. The staff will increase by 95 personnel as the current staff of 204 grows to 299.⁴⁷

⁴⁶ http://www.dod.mil/brac/pdf/VolVII_HQsSupport-o.pdf Chapter VII Final BRAC 2005, 95-98.

⁴⁷ Powerpoint Brief emailed by CDR Pucciarelli.

The prisoner management, bed capacity, psychological treatment, and Labor & Industries of the Brig are already robust. As a Regional Confinement Facility it can currently handle 302 male prisoners in individual cells, 70 female prisoners in single cells and 28 prisoners in special quarters. The special quarters houses those on bread & water, identified as a suicide risk, an escape risk, disciplinary problems, assault risk, medical segregation, and those separated to ensure the Brig can maintain good order and discipline. The prisoner management provides direct supervision of the prisoners by active duty personnel who are top performers and provide positive leadership to the prisoners. The brig uses a military model for the prisoners to address specific problems where they go through quarter supervisors, a Leading Petty Officer (LPO), a Chief Petty Officer (CPO), followed by a counselor and then a case manager. This gives prisoners a daily routine, weekly individual counseling, case management and program development. According to a pie chart published by the Brig the most common criminals are sex offenders:

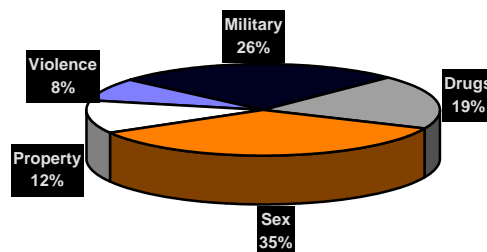


Figure 1. Powerpoint Slide supplied by CDR Pucciarelli

The Commanding Officer has made it mandatory for any prisoner who has been convicted of a sex offense to undergo a six week education course. While this is an education course the prison also provides a comprehensive Sex Offender Treatment Program (SOTP) which is a minimum 24-month voluntary program that provides psychological and physiological assessments, four group sessions per week and individualized treatment plans. It also provides a maintenance program after the 24 month program is complete.

The prisoners also have available a significant amount of self improvement and self help programs as well as vocational training programs. They can attend any of the following based on their situation:

- Adult Basic Education (ABE)
- GED Preparation
- Pre-Release Class – Transition Assistance/Financial Responsibility/Job Search Skills/Life Skills Program
- Victim Impact
- DANTES Testing
- College Program
- Thinking for a Change
- Crossroads
- Parenting

The prisoner can also participate in any of the following vocational training programs:

- Computer Repair
- Small Engine
- Basic Electronics
- Painting
- Plumbing
- Customer Services
- Landlord Tenant Relationship
- Small Business 101
- Office 2000
- MS Word
- PowerPoint
- Excel
- Outlook
- Keyboarding
- APTICOM

These are all programs designed to improve the individual prisoner if they desire to attend the classes. They allow the prisoners to leave the Brig better off than when they arrived at the Brig.

Prisoners also have the opportunity to learn a trade through On the Job Training (OJT) or work in the Brig. These opportunities include:

- Wood shop
- Sign shop
- Metal shop
- Laundry
- Computer repair
- Facility maintenance
- Production control
- Unit maintenance
- Galley/Food service
- Administrative support
- General work force
- Barber
- Library Administration
- Janitorial
- Lawn Maintenance
- Painting
- Embroidery

As can be seen from the above, the Brig provides a myriad of Labor & Industry services, but some of these provide a more logical approach towards financial stability than others. The list of significant industries provided are sign and engraving services, laundry services, wood craft products, metal products, logo and picture boards, name tags and uniform name tapes, and general workshop labor. These represent a broad spectrum of services and coupled with the community relations programs, prisoner outreach, computers for schools, community service projects, such as canine companions for

independence, Dian's Angels, YMCA Bear Program and Christmas Gift Wrapping program, give the brig an abundance of opportunities with which to employ prisoners. An evaluation of these programs is necessary to make logical decisions as to whether all of these programs are useful in achieving the goals of the Brig. The end product for each of these services provide different end states, for example, community service programs may not bring in or save money but the goodwill it provides to both the military and the prisoners may make it a worthwhile endeavor.

A tour of the facilities and brief meetings with various brig personnel was conducted on 18 August 2006, which was given by CDR John Pucciarelli, Acting Commanding Officer of the Miramar Brig. The tour consisted of a series of short interviews with Tamara J. Seguire, Budget Analyst and Brewster Schenck, Administrative Director of the Miramar Brig. Additionally, a short conversation with Daniel Vestal who was supervising the wood and metal shop was conducted. The tour showed that two of the Labor & Industry services are nearly intertwined by physical space and civilian and correctional officer oversight -- wood craft products and metal products. This division produces woodworking items that commands use on quarterdecks and in other high profile areas. This area of work is popular among prisoners who enjoy working with their hands and value the sense of accomplishment of a difficult task completed well. The other shop is the metal shop which produces products such as sign posts, street signs and metal command logos. Some examples of the many wood working items are shown below.



Figure 2. Pictures obtained from NCB MIRAMAR website

A. THE WOODWORKING SHOP

The time, effort, and effectiveness of making these products requires resolution of many challenges. During the tour of the Brig it was explained by the civilian wood and metal supervisor, a man with over thirty years of experience working with wood and metal, that it takes a significant amount of time to train a prisoner to do wood working. A glance around the shop showed several items that were in the process of rework or had

been put aside because they did not meet the standards of the supervisor. Many of the items pictured above are considered to be advanced wood working and noteworthy man hours are required to produce them. The training and oversight of a prisoner as the product is produced is significant. The requirement exists for a civilian supervisor coupled with a guard employed at the prison. If the civilian is sick, then work is not completed. In the event the product is not completed to the specifications of the civilian supervisor, then rework must be done by the prisoner to bring the product up to standards, which adds to the overall cost and time of building the product. This then becomes an issue for the command that ordered the item due to the additional wait time before the product is delivered. Is the wait time worth the cost savings of the actual product? The price of an I-Type podium, which is found on all U.S. Naval ships costs approximately \$1500 if purchased from a private company. The Brig will charge approximately \$300, but when the finished product will be delivered is at best a guess. More timely delivery would improve customer satisfaction and might improve market share.

B. THE METAL SHOP

The next shop on the tour was the metal shop that produces a variety of different items, but signage is the main product. The base at Miramar has all of the street signs produced at the Brig. The concern with this from a financial savings perspective and future growth perspective is that this operation is finite. The signage of Naval Station, San Diego, North Island Naval Air Station, San Diego, Marine Corps Recruit Depot, San Diego and Submarine Base, Point Loma, represent a limited amount of opportunities for street signs. Once the base signs are done, the opportunity for additional signs to be built would logically drop significantly. The metal shop also faces the same problems the wood working shop has, that of training, direct supervision, and the rework required for a substandard product. However, there are other items that the shop can produce but they too are finite. Some examples of metal shop production are provided below:



Figure 3. Pictures obtained from NCB MIRAMAR website

The number of commands that would desire a metal command logo is limited, especially as commands are decommissioned. The metal shop could financially survive by making a few signs every year, building new grills for public parks and replacing old signs, but the cost savings and prisoner labor would not be significant. Additionally, these two shops can lock down the prison if a tool is missing during the daily inventory check, not only affects their production, but that of the other programs as well.

C. COMMUNITY SERVICE PROGRAMS

A quick walk through some secure doors and the next stop was a small metal building that houses the industry that provides the greatest good to the public and also serves as a community relation tool, the computer shop. The prisoners, working with the COMPUTERS2LEARNBY organization represent an advantageous industry that the Brig should take advantage of to improve its performance. The Brig has the opportunity to do some prisoner vocational training on computers, but the better good is that local schools get free computers that contain an ample suite to operate modern systems on. Last year the Brig provided 318 refurbished computers through the COMPUTERS2LEARNBY program. The San Diego City Schools is the eighth-largest

urban district in the United States, encompassing approximately 136,000 students.⁴⁸ With the enormity of the students, coupled with the rapid acceleration of turnover in computer hardware and software, San Diego passed a \$1.5 billion-dollar bond measure to address shortages in the Internet Technology (IT) department. The more computers the Brig can bring to bear to alleviate some of the strain on the school district, the better off the district will be. An expansion in this department would likely allow for more computers to be refurbished per annum, and employ additional prisoners. The fact that there are many prisoners who were trained in a technical field prior to their entry into the Brig, shortens the time between training a prisoner and having a prisoner actually refurbishing computers. While they do not make money on this, it is a useful and high profile service. It also is great job training for the prisoners.

The acting CO also briefed other seasonal and smaller community service programs that the Brig participates in that represent special opportunities for prisoners. The canine companion for independence program is an overwhelming moral booster for prisoners. A prisoner is assigned a puppy and is responsible for the care and well being of the puppy. Additionally, the prisoner provides the training and discipline for the canine that is necessary for it to continue in the program. This program provides a psychological boost to the prisoner as well as a significant product to the community when the dog is eventually delivered to its future companion.

D. THE SIGN SHOP

The tour was then brought to an adjacent room to the wood and metal shop where a brief on the print shop was given. The print shop is a relatively robust workshop within the Labor & Industry department within the Brig. The shop has the ability to produce printed material, logos for commands, and up to 21-foot banners. The workshop is computer intensive, supported by its own computer department, and allows for prisoners to learn one of several trades in this area. This too is a Brig service that prisoners enjoy working in. It provides a creative outlet, the ability to work with computers and

⁴⁸ <http://www.cisco.com/en/US/netsol/ns340/ns394/ns165.html> (Last Accessed December 2006)

additional advanced training in printing. The space is relatively confined based on the number of people working, the computers required to operate the service and the storage of miscellaneous equipment. The biggest problem facing this industry is the temperature inside the container box the service operates out of, which was immediately evident upon entering the space. The intense sun that San Diego is known for heats the box up, and with no air conditioning the computers have to be shut down to prevent further heating of the space and potential damage to the computers. The actual savings to the government this year in Q1 and Q2 is \$45,358.⁴⁹ Examples of the command logos and vehicle decals are provided:



Figure 4. Pictures obtained from NCB MIRAMAR website

E. THE LAUNDRY SERVICES

The last industry stop on the tour by the acting CO was one that perhaps provides the greatest area for expansion to the Brig, their laundry facilities. A conversation with an enlisted supervisor brought up that this area is well known through the Brig as the area that saves the most money. The facility currently does all of the laundry for the inmates as well as some of the bedding, towels, washcloths and other items for on base housing entities. Discussing this with Mr. Bobby Frederick, the liaison who writes the contracts for the Navy Region Southwest area, revealed that Bachelor Housing San Diego, CA, has three to four times the amount of laundry that could be sent to the Brig in addition to what it already processes. Mr. Frederick would like to see the Brig run two shifts of laundry services, instead of the one currently operating. The limiting factor is supervisory personnel required to run the extra shift.

⁴⁹ Powerpoint brief provided by CDR Pucciarelli.

The Brig is tentatively scheduled to double its L & I services square footage when construction begins in FY10. A sound decision would be to use the majority of this space to operate laundering facilities. The time it takes a prisoner to learn to operate a 100-lb washer and dryer is insignificant. According to the LPO of the laundry services, the Brig currently handles approximately 7,000–10,000 lbs on Mondays and Tuesdays, and does approximately 3,000–6,000 lbs Wednesdays, Thursdays, and Fridays. Additionally, the Brig gets special needs laundry services; for instance, recently the USS TARAWA had a flooded magazine that contained 7,000 lbs of contaminated blankets that needed to be laundered. This was done at Miramar.

Laundry cost comparison for TPU, Point Loma & NBSD Contract versus Brig

ITEMS	CONTRACT				BRIG				Difference	Weight Conversion
	UI	QTY	Price	Total	UI	QTY	Price	Total		
BATH TOWELS	EA	360,000	0.4498	\$157,430	LB	360,000	0.15	\$52,500	\$104,930	10 ea=10#
HAND TOWELS	EA	360,000	0.3498	\$122,430	LB	70,000	0.15	\$10,500	\$111,930	20 ea=4#
WASH CLOTHS	EA	170,000	0.1123	\$19,091	LB	17,000	0.15	\$2,550	\$16,541	10 ea=1#
BATH MAT	EA	150,000	0.4248	\$63,720	LB	45,000	0.15	\$6,750	\$56,970	20 ea=6#
BED SHEETS	EA	170,000	0.6621	\$112,557	LB	102,000	0.15	\$15,300	\$97,257	20 ea=12#
PILLOW CASES	EA	170,000	0.3125	\$53,125	LB	42,500	0.15	\$6,375	\$46,750	20 ea=5#
BED PAD	EA	10,000	0.6996	\$6,996	LB	10,000	0.15	\$1,500	\$5,496	1 ea=1#
BED SPREAD	EA	25,000	1.8863	\$47,158	LB	50,000	0.15	\$7,500	\$39,658	1 ea=2#
BLANKETS	EA	25,000	1.4991	\$37,478	LB	100,000	0.15	\$15,000	\$22,478	1 ea=4#
UTILITIES SURCHARGE	LB	786,500	0.0283	\$22,258						
TOTALS				\$642,242	LB	786,500				
Brig laundry charge	AFF							\$117,975		
Cell phone	AFF				MC	12	50	\$600		
PVC Truck Rental	SRM				MC	12	\$224	\$2,688		
NAF Truck	NAF				MC	12	\$950	\$11,400		
Truck supplies	AFF				MC	12	\$50	\$600		
Bin Liners	AFF				MC	12	\$200	\$2,400		
Driver	NAF				LC	2	\$22,880	\$45,760		
Benefits (32%)	NAF				LC	2	\$7,320	\$14,640		
			Total	\$642,242			Total	\$196,063		

Figures from the Supply Dept. Type II service Linen Contract estimates

Two NAF full time Drivers \$60,400 per year working 40 hour week

Annual total weight is 786,500 LBS

\$446,179

Annual Savings \$446,179 using Brig versus current Laundry contract

Brig cost per LB \$.25
Contractor cost per LB \$.82

Figure 5. Excel Spreadsheet supplied by Mr. Frederick

The possibility of expansion is significant in the laundry services of the Brig. With the expanded space the Brig could install 21 additional washers and 27 additional dryers, which would effectively quadruple their laundering capacity. According to the data provided by Mr. Frederick, the price he pays in an open market is \$.82/lb and it costs him \$.25/lb for the laundry he sends to the BRIG. With seven washers and nine dryers he computes his annual savings as \$446,179 per annum. He could quadruple the amount of laundry he sends there which would bring his savings to \$1,784,716 per annum. The initial cost of 21 additional washers would be (21*\$16,500 per washer) for a total of \$346,500. The cost for 27 additional dryers would be (27*\$9,500) for a total of \$256,500. This would total \$603,000 for the cost of the new 100lb washers and 100lb dryers. Based on these numbers and calculations they would pay for themselves within their first year of service.

The significance of the savings totals more than all other Brig services combined. According to a power point presentation emailed out by the Brig, the cost avoided by doing these services at the Brig as opposed to an open market contract breaks out as follows:

COST AVOIDANCE:	FY05	FY06 (Q1/Q2)
Wood Shop	\$157,047	\$49,918
Sign Shop	\$102,917	\$45,358
Metal Shop	\$45,582	\$11,430
Laundry	\$352,547	\$301,464
General Maintenance	\$25,988	\$10,250
Computer Repair	\$176,595	\$122,072
TOTAL	\$860,676	\$540,492⁵⁰

⁵⁰ Powerpoint Slide provided by CDR Pucciarelli.

The Brig would nearly double its total FY05 savings from all of its major programs, just with one year of laundry services. The space left over after the installation of the new laundry facility would leave space for the expansion of the computer repair facilities, increasing output and community goodwill, and increasing the size of the sign shop facilities. This would also allow for the other programs to continue operating at a *status quo* without divesting the program. The numbers provided by the Brig indicate that none of the programs operates at or near a loss, which would allow prisoners with the desire to stay within a currently running program, to do so. In the next chapter, a final summary of the research will be presented, to include cautions, comparisons, recommendations and suggestions for further research.

V. CONCLUSIONS AND RECOMMENDATIONS

This research leads to a strong recommendation for Labor & Industry expansion at the Brig. However, there are issues that must be addressed logically before the presentation of recommendations and suggestions for further research are provided.

A. CAUTIONS AND COMPARISONS

There is a requirement within prison labor to exercise caution when dealing with numbers and not to make hasty comparisons. It would be easy to compare the PIA with the DoD prison industry and draw conclusions, but this would not be logical because of significant differences between PIA and the Miramar Brig. California houses approximately 156,000 prisoners, where the Brig at Miramar houses 400. The PIA employs approximately 4% of its incarcerated population, whereas the Brig employs nearly 50% of its prisoners. The Brig is trying to better the facility in nearly every aspect including providing a safer environment for prisoners by keeping them engaged in some form of industry and the PIA is trying to increase its number of people engaged in industry, but the difference in numbers is staggering. It is easy to look at the millions of dollars that the PIA brings in with its industry, but in the end it operates at a loss. It makes too many industry products and operates at a loss. The Brig operates several industries but with the expansion of the laundry facilities the mix and size might be nearly perfect. The inclination of going after more services could do damage to net revenue by spreading the programs too thinly. Labor shortage is one problem faced by the Brig. The Brig often finds it is undermanned and relies heavily on voluntary service from community members.

Prisoners should not be considered a traditional workforce. The SECNAVINST 1640.9C, provides rules and regulations by which prisoners in Brigs can be employed.⁵¹ There are too many variables within a prison that differentiate it from the open market. Prisoners have therapy, doctor visits and often a lack of motivation to work hard. The incentives are not the same; there is no promotion system or increase in wages. These

⁵¹ SECNAVINST 1640.9c, "Department of the Navy Corrections Manual," 6-11, 6-12.

can all factor into a reduced workday. A program in the Brig may have 11 workers one day, 15 the next day, and 7 the day after that. This variance is an essential consideration in daily, weekly, monthly, and yearly output per industry. This could be the root cause for the variance in financial numbers, because the less labor you have, the less you produce, which ultimately reduces gross profits. Also, labor fluctuates thus impairing timely delivery of products.

The productivity of the Brig would be affected by a dip or an increase in the number of inmates. If there are too many programs to operate and the Brig is only half occupied, there exists potential for programs to not have enough manpower to operate. If the Brig has too few programs and the opposite happens, whereby the Brig is at or near capacity for an extended period of time, an increase in prisoner idleness is a possible undesirable outcome.

The Brig has only one accounting professional. This is significant because that one person does not have the ability to monitor the operating funds of the Brig and then look at how much rework has been done in the wood shop to see how much of a reduced capacity at which it is operating. This is a cause of some concern because the financial numbers, including inventory, cost of goods sold, rework and other items are not always accurately captured. This can produce false numbers with regard to how much an industry program is saving and will save the government in the future.

The great opportunity that the Brig has is ability to assess one of the most robust prison industry programs in the nation, to see what it does well and what it does not. The Brig needs to define its core competency. As the Brig continues to expand in the future, it can look at the PIA example with a discerning and cautious eye open to other possibilities for industry expansion within the Brig in the near future. The opportunity to learn from mistakes of others should produce a greater financial benefit in the end.

B. RESEARCH QUESTIONS

Primary Research Question: What is the most viable industry the Brig can be involved in that will provide the greatest savings to the Department of Defense and reduce prisoner idle time?

* The evidence supports that the expansion of the laundry facilities from 7 washers and 9 dryers to 21 washers and 28 dryers would provide the greatest cost savings at approximately \$1,784,716 per annum to the government. This is at current predictions of what could be sent to the Brig provided they had the extra washers and dryers.

Supporting Questions:

1. How does the current labor and industry program fail to achieve this goal?

*The current Labor & Industry program fails in several areas, some that can be controlled and some that cannot. The first area is that with the current configuration the Brig is handling near capacity laundry for one shift. The numbers of washers and dryers limits the amount the Brig can take on in additional orders.

2. What are the limitations on the employment of prisoners that affect the industry that can be brought within the gates of the prison?

*By increasing the capacity of washers and dryers and then increasing the amount of work orders given to the Brig by Mr. Frederick, the limitation is simply time. There are no Federal Laws or DoD Laws that prohibit prisoners from doing laundry provided the laundry is being done for military customers. Limitations would be incurred if the Brig were to do laundry for a facility that makes money such as hotel that is open to the public.

3. Are there any cash cows in the labor and industry at the Brig?

*As shown in the previous chapter the Brig has a cash cow available when FY10 expansion begins and provides increased space for Labor & Industry services so that the square footage is available for laundry services to expand to the forecasted amount of equipment.

4. Are there any community services programs currently employed that improve the image of the military?

*The COMPUTERS2LEARNBY organization that provides computers for the Brig to refurbish and then takes them and distributes them to the San Diego School District is the leading program. It not only provides skills to prisoners as they learn the

operational aspects of computers, but it aids an already financially strapped school district. With additional space in FY10, this program could easily be expanded to make it even more robust.

5. Where is the potential for the greatest financial savings within the military?

*The greatest financial savings comes in the form of taking laundry contracts given to industry out in town and giving those contracts to the Brig. The \$.57 per lb favorable price difference by using the Brig laundry facilities is significant. Again, the annual savings estimated here of \$1,784,716 is a significant amount of money considering the size of the labor force. Saving this amount of money at any command would be significant, and at a small command like the Brig it makes it even more significant.

6. Does the history of Prisons in the United States provide an insight to an industry that can be exploited?

*The history of Prisons in the United States provided no insight to a specific industry that could be exploited. What it did provide was an understanding of how prison labor is cyclical in relation to the demands of the public. There are times when the public wants prisoners to work while they are in prison and not have their stay be equated to a roof over their heads and three meals a day. Then there are periods of time where the public believes that the focus should be on prisoner rehabilitation, pulling prisoners from Labor & Industry and inserting them into long sessions of individual and group therapy. There also exists times when the public does not want prisons to provide their goods to the public, which would create an unfair business advantage for those in the public sector. Understanding the cyclical nature of prison L & I is important because the Brig knows that at some point the public could demand that the prisoners no longer engage in L & I and instead do therapy. It is a risk, but the Brig will have an equal balance of the two once Brig construction is complete and the L & I services should have a nearly perfect mix.

7. What are the resource limitations on the Brig?

*The only critical resource limitation on the Brig is the number of prisoners. If the military experiences a period where incarceration sees a sharp decrease the Brig could face a shortfall in labor, particularly if they choose to keep the balance between therapy and daily work. Square footage would be a secondary problem that will be addressed with the expansion.

8. Can resource management contribute to the strategic goals?

*Prisoners are not manageable in the same respect that people working for a private company can be managed. The prisoners are at the Brig for a finite amount of time, and the Brig has little to do with managing the length of stays to further strategic goals.

9. What does resource management look like currently?

*Resource management involves trying to place the prisoners, which is the resource, in an industry that the prisoner would be most productive. If there is a situation where a prisoner would like to be in the wood working shop, but the shop is unable to handle the extra prisoner, then the prisoner will likely be relocated to another industry. This will likely produce a lack of motivation, which reduces productivity.

10. What is the impact of prisoner non-compliance in labor and industry?

*The impact of prisoner non-compliance in Labor & Industry can, on a large scale, shut Labor & Industry down. If the prisoners decide they want to stay in their cell block and watch television, or stay in their cell, then the prison work force would be diminished. However, since items such as television are a privilege they and can be taken away, this would likely cause prisoners to want to gravitate towards working, if nothing else, to pass time quicker. During the tour of the Brig, observation was the tool chosen to get a brief view of what was happening in each of the Labor & Industry programs. The observation of body language, work speed and overall enthusiasm were an important aspect of the research. This was also the case for the prisoners in the cell

blocks choosing not to work in the Labor & Industry services; they had completely different demeanors and were likely only there for shorter durations.

The conclusion of this research project is that when the Brig expands in FY10 in compliance with BRAC, the laundry Labor & Industry program should receive the crux of the expansion square footage available. It makes financial sense to expand this program. The goal of saving the DoD money and keeping prisoners working will be satisfied if this plan can be implemented as outlined in this study.

C. SUGGESTIONS FOR FURTHER RESEARCH

Research could be undertaken to see if there are ways to expand the laundry services in FY2007, or as soon as feasible. The financial rewards could be realized by running the washers and dryers an extra shift five times a week. Research into the effects manpower has on production would also be relevant. The Brig faces challenges with actual employable hours of a prisoner, quantifying and analyzing this would help the Brig in establishing manpower thresholds for services.

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